

# **Brahim's Holdings Berhad**

(Company No. 82731-A)  
(Incorporated in Malaysia)

## **Interim Financial Report 31 March 2019**

# Brahim's Holdings Berhad

(Company No. 82731-A)  
(Incorporated in Malaysia)

## Unaudited Condensed Consolidated Statement Of Comprehensive Income For The Quarter Ended 31 March 2019

	Individual Quarter			Cumulative Quarters		
	3 months ended			3 months ended		
	31 March			31 March		
	2019	2018	Changes	2019	2018	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
<b>Continuing Operations</b>						
Revenue	70,254	68,671	2.31%	70,254	68,671	2.31%
Cost of Sales	(28,389)	(29,088)		(28,389)	(29,088)	
Gross Profit	41,865	39,583		41,865	39,583	
Other income	287	203		287	203	
Administrative expenses	(41,210)	(39,767)		(41,210)	(39,767)	
Other expenses	(2,454)	(1,595)		(2,454)	(1,595)	
<b>(Loss)/Profit from operations</b>	(1,512)	(1,576)	-4.06%	(1,512)	(1,576)	-4.06%
Finance costs	(1,403)	(1,462)		(1,403)	(1,462)	
Share of results of jointly controlled entities	431	330		431	330	
<b>(Loss) before taxation</b>	(2,484)	(2,708)	8.27%	(2,484)	(2,708)	-8.27%
Income tax expense	(100)	(24)		(100)	(24)	
<b>(Loss) after taxation</b>	(2,584)	(2,732)	5.42%	(2,584)	(2,732)	5.42%
<b>(Loss)/Profit attributable to:</b>						
- Owners of the Company	(2,221)	(2,149)	-3.35%	(2,221)	(2,149)	-3.35%
- Non Controlling Interests	(363)	(583)	-37.74%	(363)	(583)	-37.74%
	(2,584)	(2,732)	5.42%	(2,584)	(2,732)	5.42%
<b>Total comprehensive (loss)/income attributable to:-</b>						
- Owners of the Company	(2,221)	(2,149)		(2,221)	(2,149)	
- Non Controlling Interest	(363)	(583)		(363)	(583)	
	(2,584)	(2,732)		(2,584)	(2,732)	
<b>Loss per share (RM) attributable to the owners of the Company</b>						
Basic	(0.83)	(0.80)		-0.83	-0.80	
Diluted	N/A	N/A		N/A	N/A	

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018.

# Brahim's Holdings Berhad

(Company No. 82731-A)  
(Incorporated in Malaysia)

## Condensed Consolidated Statement Of Financial Position As At 31 March 2019

	As At 31.03.2019 RM'000 (Unaudited)	As At 31.12.2018 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	54,643	54,525
Investment in a Joint Venture	20,392	19,961
Goodwill on consolidation	102,354	102,354
Deferred tax assets	14,896	14,896
	<u>192,285</u>	<u>191,736</u>
<b>Current Assets</b>		
Inventories	5,997	7,451
Trade receivables	50,749	46,158
Other receivables, deposits and prepayments	13,470	10,529
Tax recoverable	10,953	10,938
Amount owing by related companies	54	55
Amount owing by joint venture companies	32	34
Fixed deposits with a licensed bank	1,875	2,106
Cash and bank balances	6,679	12,578
	<u>89,809</u>	<u>89,849</u>
<b>TOTAL ASSETS</b>	<u>282,094</u>	<u>281,585</u>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Equity attributable to equity holders</b>		
Share capital	268,266	268,266
Accumulated losses	(278,167)	(275,946)
<b>Shareholders' Equity</b>	<u>(9,901)</u>	<u>(7,680)</u>
Non Controlling Interest	132,032	132,395
<b>Total Equity</b>	<u>122,131</u>	<u>124,715</u>
<b>Non-Current Liabilities</b>		
Provision for Contingent Liabilities	6,000	6,000
Long-term borrowings	281	4,409
	<u>6,281</u>	<u>10,409</u>
<b>Current Liabilities</b>		
Trade payables	41,835	32,151
Other payables and accruals	29,370	32,908
Short-term borrowings	74,335	73,070
Amount due to related company	733	866
Amount owing by joint venture companies	450	450
Advances from a Director	6,046	6,046
Provision for taxation	115	-
Provision for zakat	383	383
Bank overdrafts	415	587
	<u>153,682</u>	<u>146,461</u>
<b>Total Liabilities</b>	<u>159,963</u>	<u>156,870</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>282,094</u>	<u>281,585</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	(0.04)	(0.03)

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018.

# Brahim's Holdings Berhad

(Company No. 82731-A)  
(Incorporated in Malaysia)

## Unaudited Condensed Consolidated Statement Of Changes In Equity For The Year Ended 31 March 2019

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	Share Capital RM'000	Accumulated losses RM'000	Total RM'000	Non-Controlling Interest RM'000	Total RM'000
At 1 January 2019	268,266	(275,946)	(7,680)	132,395	124,715
Transaction with non-controlling interests	-	-	-	-	-
Total comprehensive loss	-	(2,221)	(2,221)	(363)	(2,584)
At 31 March 2019	268,266	(278,167)	(9,901)	132,032	122,131
At 1 January 2018					
- as previously stated	268,266	(169,454)	98,812	144,542	243,354
- impact from adoption of MFRS 9	-	(1,493)	(1,493)	(1,153)	(2,646)
- as restated	268,266	(170,947)	97,319	143,389	240,708
Total comprehensive loss	-	(104,999)	(104,999)	(10,994)	(115,993)
At 31 December 2018	268,266	(275,946)	(7,680)	132,395	124,715

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018.

# Brahim's Holdings Berhad

(Company No. 82731-A)  
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## Unaudited Condensed Consolidated Statement Of Cash Flows For The Financial Year Ended 31 March 2019

	3 months ended	
	As at 31.03.2019 (Unaudited) RM'000	As at 31.03.2018 (Unaudited) RM'000
<b>Operating activities</b>		
<b>Profit/(Loss) before tax</b>	(2,484)	(2,708)
<b>Adjustment for:-</b>		
Amortisation and depreciation	1,935	1,678
Property, plant and equipment write off	-	3,471
Interest expense	132	1,565
Interest income	180	(232)
Share of results in joint ventures	(431)	(330)
Operating profit before working capital changes	(668)	3,444
(Increase)/Decrease in inventories	1,454	578
(Increase)/Decrease in receivables	(7,532)	2,243
Increase/(Decrease) in intercompany balances	(130)	(196)
Increase/(Decrease) in payables	7,423	(2,806)
Cash generated from/(used in) operations	547	3,263
Interest paid	(132)	(1,565)
Tax refund/(paid)	-	(24)
<b>Net cash generated from/(used to) operating activities</b>	<b>415</b>	<b>1,674</b>
<b>Investing activities</b>		
Interest income	(180)	232
Withdrawal/(Placement) of deposits pledged with licensed banks	167	-
Purchase of plant and equipment	(2,053)	(2,424)
<b>Net cash used in investing activities</b>	<b>(2,066)</b>	<b>(2,192)</b>
<b>Financing activities</b>		
Repayment of lease and hire-purchase	(4,140)	(29)
<b>Net cash (used to)/generated from financing activities</b>	<b>(4,140)</b>	<b>(29)</b>
Net increase in cash and cash equivalents	(5,791)	(547)
<b>Cash and cash equivalents at the beginning of financial year</b>	<b>12,217</b>	<b>10,838</b>
<b>Cash and cash equivalents at the end of financial period</b>	<b>6,426</b>	<b>10,291</b>
<b>Cash, bank balances and fixed deposits with licensed banks</b>	<b>8,554</b>	<b>18,161</b>
<b>Bank overdrafts</b>	<b>(415)</b>	<b>(822)</b>
<b>Deposits pledged to licensed banks</b>	<b>(1,713)</b>	<b>(7,048)</b>
	<b>6,426</b>	<b>10,291</b>

# Brahim's Holdings Berhad

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## Notes To The Interim Financial Report

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### A Explanatory Notes Pursuant to MFRS134

#### 1. Basis of preparation

The condensed consolidated interim financial information are not audited and have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS 134) "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial information should be read in conjunction with the annual financial report for the year ended 31 December 2018. These explanatory notes attached to the financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

#### 2. Changes in Accounting Policies

The accounting policies and methods of computation adopted for the condensed interim financial information are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2018 except for the adoption of the following with effect from 1 January 2019:

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatment
Amendments to MFRS 128	Long-term Interest, in Associates and Joint Ventures
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Annual Improvements to MFRSs	2015 - 2017 Cycle

The initial application of the above does not have any material impact to the financial results of the Group for the current period and prior periods, other than as disclosed below:

##### MFRS 16: Leases

MFRS 16 'Leases' supersedes MFRS 117 'Leases' and the related interpretations. Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group and the Company currently assessing all of the Group's leasing arrangements in light of the new lease accounting rules in MFRS 16. The standard will affect primarily the accounting for the Group's operating leases, which comprise mainly the operating leases for land and building. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

# Brahim's Holdings Berhad

(Company No. 82731-A)  
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## Notes To The Interim Financial Report

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### 2. Changes in Accounting Policies (continued)

#### **MFRS and amendments to MFRSs and IC Interpretations that are applicable to the Group but not yet effective**

The Malaysian Accounting Standards Board had issued the following new standards, amendments to MFRSs and IC Interpretation which are effective for the financial period beginning on or after 1 January 2020. The Group did not early adopt these new standards, amendments to MFRSs and IC Interpretation.

The Conceptual Framework for Financial Reporting (Revised 2018)

Effective date yet to be determined

Amendments to MFRS 10	Consolidated Financial Statements
Amendments to MFRS128	Investments in Associates and Joint Ventures – sale or contribution of assets between an investor and its associate/joint ventures

### 3. Auditors' Report

There was no qualification on the audited financial statements for the financial year ended 31 December 2018.

### 4. Seasonal or cyclical factors

The Group's operations were not significantly affected by any significant seasonal or cyclical factors during the financial quarter under review.

### 5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the financial quarter under review.

### 6. Changes in estimates

There were no significant changes in the estimates reported in the prior financial year, which have a material effect in the current reporting quarter.

# Brahim's Holdings Berhad

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## Notes To The Interim Financial Report

### 7. Segmental reporting

	Individual Quarter 3 months ended 31 March			Cumulative Quarters 3 months ended 31 March		
	2019	2018	Changes	2019	2018	Changes
	RM '000 (Unaudited)	RM '000 (Unaudited)	%	RM '000 (Unaudited)	RM '000 (Unaudited)	%
<b>Segment Revenue</b>						
Revenue from continuing operations:						
In-flight catering & related services	68,410	66,465	3%	68,410	66,465	3%
Logistics and related services	1,748	2,061	-15%	1,748	2,061	-15%
Trading	-	-		-	-	
Food and beverage	-	19	-100%	-	19	-100%
Holding Company	96	126	-24%	96	126	-24%
Total revenue from continuing operations	<u>70,254</u>	<u>68,671</u>	2%	<u>70,254</u>	<u>68,671</u>	2%
<b>Segment results</b>						
Results from continuing operations:						
In-flight catering & related services	(1,004)	(1,026)	-2%	(1,004)	(1,026)	
Logistics and related services	5	246	-98%	5	246	
Trading	(12)	(5)	-140%	(12)	(5)	
Food and beverage	(22)	(358)	94%	(22)	(358)	
Sugar refinery	(3)	(5)	-40%	(3)	(5)	
Holding Company	(476)	(428)	-11%	(476)	(428)	
Operating (loss) from continuing operations	(1,512)	(1,576)	4%	(1,512)	(1,576)	-4%
Finance costs	(1,403)	(1,462)		(1,403)	(1,462)	
Share of results from Joint Venture	431	330		431	330	
(Loss) before taxation	<u>(2,484)</u>	<u>(2,708)</u>	8%	<u>(2,484)</u>	<u>(2,708)</u>	8%
Income tax expense	<u>(100)</u>	<u>(24)</u>		<u>(100)</u>	<u>(24)</u>	
(Loss) after taxation	<u>(2,584)</u>	<u>(2,732)</u>	5%	<u>(2,584)</u>	<u>(2,732)</u>	5%



# Brahim's Holdings Berhad

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## Notes To The Interim Financial Report

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### 8. Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities for the current financial year.

### 9. Dividends paid

No dividend was paid during the current quarter ended 31 March 2019.

### 10. Valuation of Property, Plant and Equipment

The valuations of property, plant and equipment of the Group have been brought forward without amendments from the previous annual financial statements.

### 11. Material Events Subsequent to the End of Interim Period

There was no material event subsequent to the end of the current quarter.

### 12. Changes in composition of the Group

There were no major changes in composition of the Group during the quarter under review.

### 13. Changes in Contingent Liabilities or Contingent Assets

There were no major changes in contingent liabilities or assets during the quarter under review since the last annual balance sheet date.

### 14. Capital Commitments

	31.03.2019 RM'000	31.12.2018 RM'000
Approved and contracted for :-		
Property, plant and equipment	380	611
Computer software	-	21

# Brahim's Holdings Berhad

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## Notes To The Interim Financial Report

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### 15. Related Company Transactions

The related company transactions of the Group had been entered into in the ordinary course of business. Below are the significant transactions with the related parties of the Group during the current financial period.

	Individual Quarter 3 months ended 31 March		Cumulative Quarters 3 months ended 31 March	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Management fees received/ receivable from a joint venture	96	126	96	126

### 16. Derivative

The company did not issue or enter and capitalise any gain or losses with regards to derivative issued or subscribed.

# **Brahim's Holdings Berhad**

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## **Interim Financial Report 31 March 2019**

Additional information required by the  
Bursa Malaysia's Main Market Listing Requirements

**Additional information required  
by the Bursa Malaysia's Listing Requirements**

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***B Selected Explanatory Notes to the Interim Financial Report (Part A of Appendix 9B of Bursa Malaysia's Main Market Listing Requirements)***

**1. Performance Analysis**

In the first quarter of 2019, the Group recorded a 2.31% increase in revenue to RM70.25 million compared with the corresponding period in 2018 of RM68.67 million.

The Group recorded a pre-tax loss of RM2.48 million in the current quarter as compared to a pre-tax loss of RM2.71 million in the corresponding quarter of the previous year.

Performance of the respective operating segments are analysed as follows:-

**In-flight catering and related services**

The performance of in-flight catering and related revenue in the services show increasing trend when compared to the revenue in the corresponding year. Revenue for the current quarter increased by RM1.95 million or 3%, closing at RM68.41 million compared with a revenue of RM66.47 million in the same quarter last year.

This segment recorded an operating loss of RM1.004 million as compared to a loss of RM1.026 million for the same quarter last year, a increase by 2%.

**Logistics and related services**

Current quarter's revenue contributed by the logistics and related services segment has been slipped from its track. Its registered a downturn in revenue of 15%, or RM313,000 lower to RM1.748 million as compared to RM2.061 million in the corresponding quarter last year. The warehouse occupancy rate continued to remain stable. Nevertheless, management is of the view that there is potential for this business to grow even further.

Segmental results for the quarter was a profit of RM5,000, an decrease by 98% compared with the corresponding quarter in last year of RM246,000.

**Additional information required  
by the Bursa Malaysia's Listing Requirements**

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**2. Comparison with immediate preceding quarter's result**

Compared to the immediate preceding quarter's results, the Group's revenue reported an increase from RM70.22 million to RM70.25 million, an increase of RM0.03 million or 0.04%.

The Group recorded a loss before tax of RM2.484 million for this quarter as compared to a loss before tax of RM103.6 million in the immediate preceding quarter.

**3. Current year prospects**In-Flight Catering and related services

With a tough year of 2018, this segment has been taking a very conservative approach in the preparation of 2019 Budget. Slow recovery is expected from this segment with only marginal profit to be recognised by the end of 2019.

For future airlines business prospect, this segment has successfully secured KLM Airlines in Q2 2019. This segment is actively participating in tenders and pursuing potential new customers which may contribute positively towards Group's profitability.

This segment has also set up establishment in non-airline commercial catering business. With corporate customers as the main target, this non-airline commercial catering business may and will open up a lot more possibilities and contribute towards maximizing the utilisation of the kitchen capacity at KLIA in order to control the non-variable costs as most of the food and beverages are centrally supplies from the kitchen in KLIA.

Logistics and related services

The logistics segment continues to maintain its business volume and contribute positively to the group's financial position. This segment looking into expending business models and expending its operations, to streamline the cost structure become positive. This segment will continue the effort to acquire new customers and businesses to increase the revenue stream.

**4. Statement on Revenue or Profit Estimate, Forecast, Projection or Internal Targets Previously Announced or Disclosed in a Public Document**

Not applicable as the Group has not issued any profit forecast or profit guarantee.

# Brahim's Holdings Berhad

(Company No. 82731-A)  
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## Appendix II

### Additional information required by the Bursa Malaysia's Listing Requirements

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#### 5. Taxation

	Individual Quarter 3 months ended 31 March		Cumulative Quarters 3 months ended 31 March	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Current tax: -for the financial period/year	(115)	(157)	(115)	(157)
Deferred taxation	15	181	15	181
	<u>(100)</u>	<u>24</u>	<u>(100)</u>	<u>24</u>

The Group's effective tax rate is lower than statutory tax rate due to certain expenses being disallowed for tax purposes and deferred tax assets recognised for some entities within the Group.

#### 6. Status of corporate proposal

The Group is not engaged in any corporate proposal as at the date of this report.

#### 7. Borrowings

	31.03.2019 RM'000	31.12.2018 RM'000
<b>a) Short term borrowings</b>		
Secured		
- Term loans	72,723	71,445
- Hire purchase and lease payables	1,613	1,625
	<u>74,336</u>	<u>73,070</u>
<b>b) Long term borrowings</b>		
Secured		
- Term loans	-	-
- Hire purchase and lease payables	281	4,409
	<u>281</u>	<u>4,409</u>
	<u>74,617</u>	<u>77,479</u>
The above borrowings are denominated in the following currencies:-		
- Ringgit Malaysia	70,922	73,784
- United States Dollar	3,695	3,695
	<u>74,617</u>	<u>77,479</u>

**Additional information required  
by the Bursa Malaysia's Listing Requirements**

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**8. Changes in material litigation**

No new update since last reporting date.

**9. Dividend**

No dividend has been proposed in respect of the current financial year.

**10. Loss per share**

		<b>Individual Quarter</b>		<b>Cumulative Quarters</b>	
		<b>3 months ended</b>		<b>3 months ended</b>	
		<b>31.03.19</b>	<b>31.03.18</b>	<b>31.03.19</b>	<b>31.03.18</b>
<b>Basic loss per share</b>					
Loss attributable to owners of the company	(RM'000)	(2,221)	(2,149)	(2,221)	(2,149)
Weighted average number of ordinary shares in issue	('000)	268,266	268,266	268,266	268,266
Basic loss per share	(Sen)	(0.83)	(0.80)	(0.83)	(0.80)

The calculation of basic loss per share for the respective periods is arrived at by dividing the loss attributable owners of the Company by the weighted average number of ordinary shares issued during the financial period/year.

There is no disclosure on diluted loss per share as there were no potential ordinary shares outstanding at the end of the reporting period/year.

**11. Authorisation for Issue**

The interim financial information was duly approved by the Board of Directors on 31 May 2019.